

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT202290 OCTOBER 11, 2022

CMS releases new federal hospice rates for federal fiscal year 2023

The Centers for Medicare & Medicaid Services (CMS) released new federal hospice rates for federal fiscal year 2023 (FFY 2023), effective for dates of service Oct. 1, 2022, through Sept. 30, 2023. These rates are the basis for payments to Medicaid-enrolled hospice providers. Accordingly, the Indiana Family and Social Services Administration (FSSA) is providing information regarding Indiana Health Coverage Programs (IHCP) hospice rates for the same time period.

IHCP hospice rate calculation

Reimbursement for IHCP hospice benefits is based on the methodology established by the CMS for the administration of the federal Medicare program. Additionally, IHCP rates include payment for any Medicare coinsurance amounts and are further adjusted for regional wage differences.

The total per diem amounts reimbursed to IHCP-enrolled providers are calculated according to the IHCP hospice member's level and location of service as follows:

- Routine home hospice in the private home – IHCP hospice per diem only
- Routine home hospice in the nursing home – IHCP hospice per diem plus room and board per diem
- Continuous home hospice in the private home – IHCP hospice per diem only
- Continuous home hospice in the nursing home – IHCP hospice per diem plus room and board per diem
- Inpatient respite care for the private home members or nursing facility (NF) members – IHCP hospice per diem only (*There is no additional room and board per diem for this service.*)
- General inpatient care for the private home members or NF members – IHCP hospice per diem only (*There is no additional room and board per diem for this service.*)



The service intensity add-on (SIA) payment is in addition to the routine home care per diem rate in the private home and in the NF. The SIA payment is equal to the continuous home care hourly rate multiplied by the hours of nursing or social work provided on the date of service (up to four hours total). The SIA payment is also adjusted for regional wage differences.

The hospice per diem rates for routine and continuous home hospice in the private home, as well as the SIA in the private home, are adjusted using the wage index for the city or county where the member resides. The hospice per diem rates for routine and continuous hospice in the NF, as well as the SIA in the NF, are adjusted using the wage index of the city or county where the hospice facility is located.

Effective FY 2023 and subsequent years, a permanent 5% cap on wage index decreases will be applied.¹ This cap limits decreases to a geographic area's wage index regardless of the circumstances

that cause the decline. This cap on decreases to the hospice wage index is applied such that a geographic area's wage index for FY 2023 would not be less than 95% of its final wage index for FY 2022, regardless of whether the geographic area is part of an updated Core-Based Statistical Area (CBSA). Also, for subsequent years, a geographic area's wage index would not be less than 95% of its wage index calculated in the prior FY.

Section 3004 of the *Affordable Care Act (ACA)* amended the *Social Security Act* (the Act) to authorize a quality reporting program for hospice providers. *Section 1814(i)(5)(A)(i)* of the Act requires that beginning FY 2014 and for each subsequent FY, the market basket update be reduced by 2 percentage points for any hospice provider that does not comply with the quality data reporting requirements, and that Medicaid minimum rates be reduced by the amount of any penalty assessed for nonreporting. Effective FY 2024, the Act was amended by the *Consolidated Appropriations Act of 2021 (CAA)* to increase the payment reduction from 2 percentage points to 4 percentage points. Medicaid agencies may choose to implement the optional Medicaid hospice rate reduction for lack of quality reporting.



Federal Per Diem Rates for Hospice Claims

The Medicaid hospice payment rates for care and services provided from Oct. 1, 2022, through Sept. 30, 2023, are reflected in the following tables:

- [Table 1](#) – Federal per diem rates for routine home care, continuous home care, inpatient respite care, and general inpatient care effective Oct. 1, 2022, through Sept. 30, 2023
- [Table 2](#) – Federal rates for SIA payments made in conjunction with routine home care effective Oct. 1, 2022, through Sept. 30, 2023
- [Table 3](#) – IHCP wage-adjusted rates for hospice benefits effective for dates of service Oct. 1, 2022, through Sept. 30, 2023

The daily or hourly rate on each table is the sum of the amount subject to wage index (the labor portion of the rate) plus the unweighted amount (the nonlabor portion of the rate). States are required to adjust the federal daily or hourly rate to reflect local geographical differences in wage levels. The wage-adjusted rates in Table 3 are computed by multiplying the federal “component subject to wage index” amount by the hospice wage index for the applicable geographic area, and adding the result to the federal “unweighted component” amount.

The IHCP will update the claim-processing system with the new hospice rates by Nov. 1, 2022, when providers begin billing for October service dates. It is anticipated that no mass adjustment of claims will be needed.

¹The policy was codified at Code of Federal Regulations 42 CFR 418.306(c) as part of the FY 2023 Medicare Hospice Final Rule.

Table 1 – Federal per diem rates for routine home care, continuous home care, inpatient respite care, and general inpatient care effective Oct. 1, 2022, through Sept. 30, 2023

Level of service	Daily rate	Component subject to wage index	Unweighted component
Routine home care (days 1-60)	\$211.61	\$139.67	\$71.94
Routine home care (days 61+)	\$167.22	\$110.36	\$56.86
Continuous home care	\$1,522.63	\$1,145.02	\$377.61
Inpatient respite care	\$518.00	\$315.98	\$202.02
General inpatient care	\$1,110.76	\$705.33	\$405.43

Table 2 – Federal rates for service intensity add-on payments made in conjunction with routine home care effective Oct. 1, 2022, through Sept. 30, 2023

Level of service	Daily rate	Component subject to wage index	Unweighted component
Service intensity add-on	\$63.44	\$47.71	\$15.73

Table 3 – IHCP wage-adjusted rates for hospice benefits, effective for dates of service Oct. 1, 2022, through Sept. 30, 2023

County name	County code	Wage index ¹	Routine home care (days 1-60)	Routine home care (days 61+)	Routine home care service intensity add-on	Continuous home care full rate 24 hours	Continuous home care hourly rate ²	Inpatient respite care	General inpatient care
Urban Areas									
Bloomington:									
Monroe	53	0.9286	201.64	159.34	60.03	1,440.88	60.04	495.44	1,060.40
Owen	60	0.9286	201.64	159.34	60.03	1,440.88	60.04	495.44	1,060.40
Cincinnati:									
Dearborn	15	0.9266	201.36	159.12	59.94	1,438.59	59.94	494.81	1,058.99
Franklin	24	0.9266	201.36	159.12	59.94	1,438.59	59.94	494.81	1,058.99
Ohio	58	0.9266	201.36	159.12	59.94	1,438.59	59.94	494.81	1,058.99
Union	81	0.9266	201.36	159.12	59.94	1,438.59	59.94	494.81	1,058.99
Columbus:									
Bartholomew	3	1.0002	211.64	167.24	63.45	1,522.86	63.45	518.06	1,110.90
Elkhart/ Goshen:									
Elkhart	20	0.9906	210.30	166.18	62.99	1,511.87	62.99	515.03	1,104.13
Evansville:									
Posey	65	0.9201	200.45	158.40	59.63	1,431.14	59.63	492.75	1,054.40
Vanderburgh	82	0.9201	200.45	158.40	59.63	1,431.14	59.63	492.75	1,054.40
Warrick	87	0.9201	200.45	158.40	59.63	1,431.14	59.63	492.75	1,054.40
Fort Wayne:									
Allen	2	0.9569	205.59	162.46	61.38	1,473.28	61.39	504.38	1,080.36
Whitley	92	0.9569	205.59	162.46	61.38	1,473.28	61.39	504.38	1,080.36

Table 3 – IHCP wage-adjusted rates for hospice benefits, effective for dates of service Oct. 1, 2022, through Sept. 30, 2023 (Continued)

County name	County code	Wage index ¹	Routine home care (days 1-60)	Routine home care (days 61+)	Routine home care service intensity add-on	Continuous home care full rate 24 hours	Continuous home care hourly rate ²	Inpatient respite care	General inpatient care
Urban Areas									
Gary:									
Jasper	37	0.9182	200.18	158.19	59.54	1,428.97	59.54	492.15	1,053.06
Lake	45	0.9182	200.18	158.19	59.54	1,428.97	59.54	492.15	1,053.06
Newton	56	0.9182	200.18	158.19	59.54	1,428.97	59.54	492.15	1,053.06
Porter	64	0.9182	200.18	158.19	59.54	1,428.97	59.54	492.15	1,053.06
Indianapolis/ Carmel/ Anderson:									
Boone	6	0.9782	208.57	164.81	62.40	1,497.67	62.40	511.11	1,095.38
Brown	7	0.9782	208.57	164.81	62.40	1,497.67	62.40	511.11	1,095.38
Hamilton	29	0.9782	208.57	164.81	62.40	1,497.67	62.40	511.11	1,095.38
Hancock	30	0.9782	208.57	164.81	62.40	1,497.67	62.40	511.11	1,095.38
Hendricks	32	0.9782	208.57	164.81	62.40	1,497.67	62.40	511.11	1,095.38
Johnson	41	0.9782	208.57	164.81	62.40	1,497.67	62.40	511.11	1,095.38
Madison	48	0.9782	208.57	164.81	62.40	1,497.67	62.40	511.11	1,095.38
Marion	49	0.9782	208.57	164.81	62.40	1,497.67	62.40	511.11	1,095.38
Morgan	55	0.9782	208.57	164.81	62.40	1,497.67	62.40	511.11	1,095.38
Putnam	67	0.9782	208.57	164.81	62.40	1,497.67	62.40	511.11	1,095.38
Shelby	73	0.9782	208.57	164.81	62.40	1,497.67	62.40	511.11	1,095.38
Kokomo:									
Howard	34	0.9569	205.59	162.46	61.38	1,473.28	61.39	504.38	1,080.36
Lafayette/ West Lafayette:									
Benton	4	0.9634	206.50	163.18	61.69	1,480.72	61.70	506.44	1,084.94
Carroll	8	0.9634	206.50	163.18	61.69	1,480.72	61.70	506.44	1,084.94
Tippecanoe	79	0.9634	206.50	163.18	61.69	1,480.72	61.70	506.44	1,084.94
Warren	86	0.9634	206.50	163.18	61.69	1,480.72	61.70	506.44	1,084.94
Louisville/ Jefferson County:									
Clark	10	0.8600	192.06	151.77	56.76	1,362.33	56.76	473.76	1,012.01
Floyd	22	0.8600	192.06	151.77	56.76	1,362.33	56.76	473.76	1,012.01
Harrison	31	0.8600	192.06	151.77	56.76	1,362.33	56.76	473.76	1,012.01
Washington	88	0.8600	192.06	151.77	56.76	1,362.33	56.76	473.76	1,012.01
Michigan City/La Porte:									
La Porte	46	0.9370	202.81	160.27	60.43	1,450.49	60.44	498.09	1,066.32
Muncie:									
Delaware	18	0.9552	205.35	162.28	61.30	1,471.33	61.31	503.84	1,079.16
South Bend/ Mishawaka:									
St. Joseph	71	0.9768	208.37	164.66	62.33	1,496.07	62.34	510.67	1,094.40
Terre Haute:									
Clay	11	0.8751	194.17	153.44	57.48	1,379.62	57.48	478.53	1,022.66
Parke	61	0.8751	194.17	153.44	57.48	1,379.62	57.48	478.53	1,022.66
Sullivan	77	0.8751	194.17	153.44	57.48	1,379.62	57.48	478.53	1,022.66
Vermillion	83	0.8751	194.17	153.44	57.48	1,379.62	57.48	478.53	1,022.66
Vigo	84	0.8751	194.17	153.44	57.48	1,379.62	57.48	478.53	1,022.66

Table 3 – IHCP wage-adjusted rates for hospice benefits, effective for dates of service Oct. 1, 2022, through Sept. 30, 2023 (Continued)

County name	County code	Wage index ¹	Routine home care (days 1-60)	Routine home care (days 61+)	Routine home care service intensity add-on	Continuous home care full rate 24 hours	Continuous home care hourly rate ²	Inpatient respite care	General inpatient care
Nonurban Areas:									
Adams	1	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Blackford	5	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Cass	9	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Clinton	12	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Crawford	13	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Daviess	14	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
De Kalb	17	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Decatur	16	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Dubois	19	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Fayette	21	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Fountain	23	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Fulton	25	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Gibson	26	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Grant	27	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Greene	28	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Henry	33	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Huntington	35	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Jackson	36	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Jay	38	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Jefferson	39	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Jennings	40	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Knox	42	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Kosciusko	43	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
LaGrange	44	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Lawrence	47	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Marshall	50	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Martin	51	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Miami	52	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Montgomery	54	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Noble	57	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Orange	59	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Perry	62	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Pike	63	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Pulaski	66	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Randolph	68	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Ripley	69	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Rush	70	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Scott	72	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Spencer	74	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Starke	75	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Steuben	76	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Switzerland	78	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Tipton	80	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Wabash	85	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Wayne	89	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
Wells	90	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50
White	91	0.8380	188.98	149.34	55.71	1,337.14	55.71	466.81	996.50

¹ The Hospice Wage Index was published in the Federal Register on July 27, 2022. States adjust the wage component of the daily hospice payment rates to reflect geographical differences in the wage levels.

² The continuous home care hourly rate, as adjusted, is used to calculate the SIA payment amount.

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